

### REMARKS

In the specification, the paragraphs [0005], [0032], [0033], and [0060] through [0062] have been amended to correct minor editorial problems.

Claims 1-3, 5-9, 11-16, 18-21, and 23-26 remain in this application after entry of the present amendments. Claims 4, 10, 17, and 22 have been canceled. Claims 1, 14, and 26 have been amended.

All claims (1-26) of the present application were rejected in view of United States Patent 6,178,407 B1 to Lotvin et al (hereinafter "Lotvin"). The claims have been amended in this Response for consideration. Specifically, claims 1, 14 and 26 were amended to clarify that in these claims, the user "is not eligible to open a credit account"; the second party is a "major financial services company" that creates and manages an account that "identifies the user"; and the second party receives information that associates the "identification" of the user with the items the user purchases.

Support for the amendments in claims 1, 14, and 26 that the user "is not eligible to open a credit account" is found, for example, on page 2, lines 31-32, and page 5, lines 27-31 through page 6, lines 1-6. Support for the amendments that the "second party" is a "major financial services company" is found, for example, on page 4, line 19; and page 7, lines 6-8. Additionally, for claims 1 and 14, these amendments have support in their dependent claims 4, 10, 17 and 22, which were canceled in this Response. Support for the amendments that the second party creates and manages an account that "identifies the user" is found, for example, on page 7, lines 6-8, page 10, lines 14-17, page 13, lines 17-20, and page 17, lines 13-19. Support for the amendments that the information the second party receives associates the "identification" of the user with the items the user purchases is found, for example, on page 10, lines 13-25, and page 17, lines 13-19 and 24-28.

With the amendments, claims 1, 14 and 26 of the present invention more clearly provide a system and method for rewarding educational accomplishment, in which a major financial services company obtains, directly from third parties such as merchants, rare purchase information that identifies users who are ineligible to open credit accounts.

Applicants submit that Lotvin nowhere discloses or suggests such a system or method. Lotvin teaches a system in which a child may make purchases using points accumulated by completing educational exercises. (See, e.g., Lotvin, col. 1, ll. 61-64). The purchases are financed by the parent, who provides his or her own payment information, preferably his or her credit card. (See, e.g., id. at col. 5, line 65 through col. 6, line 6; col. 7, ll. 49-51). When the child makes a purchase, the parent's credit card is billed. (See id. at col. 7, ll. 9-12; col. 13, line 65 through col. 14, line 2). Thus, the credit card company records the purchase as made by the parent, and not the child for whom the purchase is intended.

Additionally, Lotvin provides no teaching that would motivate one ordinarily skilled in the art to modify the Lotvin system to create the inventions of the amended claims 1, 14, and 26. Applicants respectfully submit that claims 1, 14, and 26 are therefore patentable over Lotvin.

Amended claims 1, 14 and 26 provide significant advantages over the prior art. Information associating the identity of a user with the user's purchases is rarely, if at all, available where the user is ineligible for a credit account. (See, e.g. p. 2, ll. 27-32; p. 5, ll. 27-31 through p. 6, ll. 1-6; p. 10, ll. 30-33 through p. 11, ll. 1-3). Such information is valuable, since it can be, for example, analyzed to determine purchasing preferences of the user, used to create a purchase history file for each user, or sold and/or used to target advertising to a user based upon his or her purchasing preferences (See, e.g., p. 10, ll. 20-27, p. 11, ll. 3-7). Because of this value, major financial service companies have great incentive to be a second party in the present invention, since a second party receives this information directly from a third party when a user makes a purchase. (See, e.g., p. 10, ll. 14-17, and p. 17, ll. 24-28). Additionally, financial service companies such as Visa, MasterCard, and First Data are already setup for such transfer of information. (See p. 10, ll. 14-20). Major financial service companies may not require payment, or may provide a discount, to create and manage accounts of users in accordance with the present invention. (See, e.g., p. 10, ll. 25-29; p. 17, ll. 24-28).

Employment of a major financial services company as the second party has significant advantages. In these claims, the second party manages an account that allows the user to purchase items. Where the second party is a major financial services company, such as

MasterCard or Visa, the user may purchase items from any of the millions of merchants with which the major financial services company has a relationship. (See, e.g., p. 2, ll. 16-26; p. 8, ll. 17-33; p. 13, ll. 17-23). This provides significant motivation to a user to achieve educationally, since the rewards provide short-term reinforcement that is user-specific. (See, e.g., p. 2, ll. 22-26). Thus, the user may apply the monetary value of earned points toward items that he or she specifically desires. (See id.).

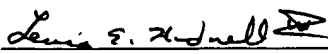
Claims 2-13 and 15-25 were also rejected in view of Lotvin. As stated above, claims 4, 10, 17, and 22 have been canceled since the subject matter of each was added, by amendment above, to the claim (1 or 14) from which it depended. The other claims (i.e. 2-3, 5-9, 11-13, 15-16, 18-21, and 23-25) each depend from one of the independent claims 1 and 14, which, Applicants respectfully submit above, are allowable as amended. Therefore, claims 2-3, 5-9, 11-13, 15-16, 18-21, and 23-25 are also allowable.

Applicants respectfully request that a timely Notice of Allowance be issued in this case.

Please apply any charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: 7/23/04

  
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